

**MEDICAL CENTER OF LOUISIANA FOUNDATION**

**NEW ORLEANS, LOUISIANA**

**FINANCIAL STATEMENTS**

**AS OF AND**

**FOR THE YEARS ENDED**

**JUNE 30, 2010 AND 2009**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8/25/10

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\*PROFESSIONAL CORPORATION  
\*LIMITED LIABILITY COMPANY  
BENJAMIN J. ERICKSEN - RETIRED  
J.V. LECLERE KRENTEL - RETIRED

## INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of  
Medical Center of Louisiana Foundation  
New Orleans, Louisiana

We have audited the accompanying statements of financial position of Medical Center of Louisiana Foundation (a nonprofit organization) as of June 30, 2010 and 2009, and the related statements of activities, cash flows, and functional expenses for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Medical Center of Louisiana Foundation as of June 30, 2010 and 2009 and changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 11, 2010, on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

August 11, 2010

*Ericksen, Krentel & LaPorte LLP*

Certified Public Accountants

**MEDICAL CENTER OF LOUISIANA FOUNDATION**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
<b><u>ASSETS:</u></b>		
Cash and cash equivalents	\$ 1,682,736	\$ 2,293,217
Cash held for agencies	348,338	322,371
Employee receivable	100	3,500
Grants receivable	99,165	-
Prepaid expenses	<u>1,500</u>	<u>5,000</u>
 Total assets	 <u>\$ 2,131,839</u>	 <u>\$ 2,624,088</u>
 <b><u>LIABILITIES:</u></b>		
Accounts payable	\$ 52,032	\$ 135,456
Funds held for agencies	<u>348,338</u>	<u>322,371</u>
 Total liabilities	 <u>400,370</u>	 <u>457,827</u>
 <b><u>NET ASSETS:</u></b>		
Unrestricted	1,575,957	1,861,482
Temporarily restricted	<u>155,512</u>	<u>304,779</u>
 Total net assets	 <u>1,731,469</u>	 <u>2,166,261</u>
 Total liabilities and net assets	 <u>\$ 2,131,839</u>	 <u>\$ 2,624,088</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

**MEDICAL CENTER OF LOUISIANA FOUNDATION**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2010**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b><u>REVENUES, GAINS AND OTHER SUPPORT:</u></b>			
Contributions	\$ 12,333	\$ 4,150	\$ 16,483
Grant revenue	-	677,010	677,010
Registration income	22,223	-	22,223
Fund-raising income	71,810	-	71,810
Investment income	293	-	293
Other income	5,183	-	5,183
	<u>111,842</u>	<u>681,160</u>	<u>793,002</u>
Total revenue			
	<u>111,842</u>	<u>681,160</u>	<u>793,002</u>
Net assets released from restrictions	<u>830,427</u>	<u>(830,427)</u>	<u>-</u>
Total revenues, gains and other support	<u>942,269</u>	<u>(149,267)</u>	<u>793,002</u>
<b><u>EXPENSES:</u></b>			
Program services	1,096,108	-	1,096,108
Fund-raising	60,795	-	60,795
Management and general	70,891	-	70,891
	<u>1,227,794</u>	<u>-</u>	<u>1,227,794</u>
Total expenses			
	<u>1,227,794</u>	<u>-</u>	<u>1,227,794</u>
Change in net assets	(285,525)	(149,267)	(434,792)
Net assets, beginning of year	<u>1,861,482</u>	<u>304,779</u>	<u>2,166,261</u>
Net assets, end of year	<u>\$ 1,575,957</u>	<u>\$ 155,512</u>	<u>\$ 1,731,469</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

**MEDICAL CENTER OF LOUISIANA FOUNDATION**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b><u>REVENUES, GAINS AND OTHER SUPPORT:</u></b>			
Contributions	\$ 25,209	\$ 3,574	\$ 28,783
Grant revenue	-	113,209	113,209
Registration income	36,295	-	36,295
Fund-raising income	30,100	-	30,100
Investment income	10,862	-	10,862
Other income	1,612	-	1,612
	<u>104,078</u>	<u>116,783</u>	<u>220,861</u>
Total revenue			
	<u>104,078</u>	<u>116,783</u>	<u>220,861</u>
Net assets released from restrictions	<u>310,194</u>	<u>(310,194)</u>	<u>-</u>
Total revenues, gains and other support	<u>414,272</u>	<u>(193,411)</u>	<u>220,861</u>
<b><u>EXPENSES:</u></b>			
Program services	371,221	-	371,221
Fund-raising	25,992	-	25,992
Management and general	212,443	-	212,443
	<u>609,656</u>	<u>-</u>	<u>609,656</u>
Total expenses			
	<u>609,656</u>	<u>-</u>	<u>609,656</u>
Change in net assets	(195,384)	(193,411)	(388,795)
Net assets, beginning of year	<u>2,056,866</u>	<u>498,190</u>	<u>2,555,056</u>
Net assets, end of year	<u>\$ 1,861,482</u>	<u>\$ 304,779</u>	<u>\$ 2,166,261</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

**MEDICAL CENTER OF LOUISIANA FOUNDATION**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
<b><u>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:</u></b>		
Change in net assets	\$ (434,792)	\$ (388,795)
Adjustments to reconcile increase in net assets to net cash from (used in) operating activities:		
Losses from employee theft	-	156,190
(Increase) decrease in:		
Employee receivable	3,400	(158,900)
Grants receivable	(99,165)	-
Prepaid expenses	3,500	(4,000)
Increase (decrease) in:		
Accounts payable	(83,424)	126,081
Funds held for agencies	<u>25,967</u>	<u>14,320</u>
Net cash (used in) operating activities	<u>(584,514)</u>	<u>(255,104)</u>
Cash and cash equivalents, beginning of year	<u>2,615,588</u>	<u>2,870,692</u>
Cash and cash equivalents, end of year	<u>\$ 2,031,074</u>	<u>\$ 2,615,588</u>
<b><u>RECONCILIATION TO THE STATEMENT OF</u></b>		
<b><u>FINANCIAL POSITION:</u></b>		
Cash and cash equivalents	\$ 1,682,736	\$ 2,293,217
Cash held for agencies	<u>348,338</u>	<u>322,371</u>
	<u>\$ 2,031,074</u>	<u>\$ 2,615,588</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

**MEDICAL CENTER OF LOUISIANA FOUNDATION**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2010**

	<u>Program Services</u>	<u>Fund-raising</u>	<u>Management and General</u>	<u>Total</u>
Gifts and awards	\$ 112,341	\$ -	\$ 13	\$ 112,354
Books expense	16,051	-	-	16,051
Dues and subscriptions	40,228	-	216	40,444
Event expenses	-	60,795	-	60,795
Insurance	-	-	2,690	2,690
Meals	7,485	-	3,473	10,958
Medical supplies	223,755	-	-	223,755
Miscellaneous expense	837	-	1,719	2,556
Office expenses	1,814	-	637	2,451
Postage	878	-	-	878
Professional fees	638,629	-	23,916	662,545
Rent	4,888	-	-	4,888
Theft loss	-	-	-	-
Training and seminars	37,754	-	799	38,553
Travel	8,712	-	-	8,712
Utilities	2,660	-	-	2,660
Wages and related expenses	76	-	37,428	37,504
 Total expenses	 <u>\$ 1,096,108</u>	 <u>\$ 60,795</u>	 <u>\$ 70,891</u>	 <u>\$ 1,227,794</u>

See accompanying NOTES TO FINANCIAL STATEMENTS



**MEDICAL CENTER OF LOUISIANA FOUNDATION**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Program Services</u>	<u>Fund-raising</u>	<u>Management and General</u>	<u>Total</u>
Gifts and awards	\$ 3,183	\$ -	\$ -	\$ 3,183
Books expense	6,053	-	-	6,053
Dues and subscriptions	171	-	1,068	1,239
Event expenses	3,822	25,992	-	29,814
Insurance	-	-	409	409
Meals	4,651	-	2,736	7,387
Medical supplies	7,360	-	-	7,360
Miscellaneous expense	803	-	1,470	2,273
Office expenses	-	-	714	714
Postage	-	-	-	-
Professional fees	300,774	-	47,891	348,665
Rent	456	-	-	456
Theft loss	-	-	156,190	156,190
Training and seminars	32,156	-	-	32,156
Travel	11,555	-	-	11,555
Utilities	-	-	-	-
Wages and related expenses	237	-	1,965	2,202
Total expenses	<u>\$ 371,221</u>	<u>\$ 25,992</u>	<u>\$ 212,443</u>	<u>\$ 609,656</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

**MEDICAL CENTER OF LOUISIANA FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED 2010 AND 2009**

**(1) NATURE OF OPERATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Operations**

The Medical Center of Louisiana Foundation (the Foundation) was incorporated in November 1993. The Foundation was originally known as The University Hospital Foundation, and has its purpose to encourage philanthropic support for the charitable, educational and scientific needs of the Medical Center of Louisiana to include University and Charity Hospitals of New Orleans, through voluntary subscriptions, by gift, bequest or other legal means.

**Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities. In-kind contributions are recognized at the fair market value when received.

**Financial Statement Presentation**

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Accounting Standards Codification (ASC) 958-210-50-3, *Financial Statements of Not-for-Profit Organizations*. Under FASB ASC 958-210-50-3, the Foundations are required to report information regarding their financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

**Unrestricted Net Assets** – Net assets that are subject to donor-imposed stipulations.

**Temporarily Restricted Net Assets** – Net assets subject to donor-imposed stipulations that may or will be met by actions of the Foundation and/or the passage of time.

**Permanently Restricted Net Assets** – Net assets subject to donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled and removed by actions of the Foundation pursuant to those stipulations. The Foundation has no permanently restricted net assets.

**MEDICAL CENTER OF LOUISIANA FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED JUNE 30, 2010 AND 2009**

**(1) NATURE OF OPERATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Restricted and Unrestricted Revenue**

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

The Foundation uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on historical experience and management's analysis of specific promises made.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Foundations considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. At June 30, 2010 and 2009, cash equivalents consisted of short term United States Government securities.

**Concentration of Credit Risk**

The Foundation maintains its cash and cash equivalents in various financial institutions in Louisiana. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2010 and 2009, deposits exceeded federally insured limits by \$0 and \$161,706, respectively.

**Contributed Services**

During the years ended June 30, 2010 and 2009, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

**Tax Status**

The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and from state income tax under Section 121(5) of Title 47 of the Louisiana Revised Statutes. Based upon the amount of its investment income and the comparison of its public support, the Foundation qualifies for non-private foundation status under Section 509(a)(2) of the Internal Revenue Code; therefore, the Foundation's tax-exempt status extends to its net investment income.

**MEDICAL CENTER OF LOUISIANA FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED JUNE 30, 2010 AND 2009**

**(1) NATURE OF OPERATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Tax Status (continued)**

The Foundation adopted FASB Interpretation No. 48 (FASB ASC 740-10-et al), *Accounting for Uncertainty in Income Taxes* on July 1, 2009. FASB ASC 740-10-et al is an interpretation of SFAS No. 109 (FASB ASC 740-10-et al), *Accounting for Income Taxes*. FASB ASC 740-10-et al prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken, or expected to be taken, in a tax return. FASB ASC 740-10-et al requires the affirmative evaluation that is more likely-than-not, based on the technical merits of a tax position, that an enterprise is entitled to economic benefits resulting from positions taken in income tax returns. If a tax position does not meet the more-likely-than-not recognition threshold, the benefit of that position is not recognized in the financial statements. FASB ASC 740-10-et al also requires the Foundation to disclose additional quantitative and qualitative information in their financial statements about uncertain tax positions. The Foundation's adoption of FASB ASC 740-10-et al on July 1, 2009, did not have a material impact on the financial statements.

The Foundation's evaluation as of June 30, 2010 revealed no tax positions that would have a material impact on the financial statements.

**Functional Expenses**

Expenses are charged to each program based on direct expenditures incurred. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

**Subsequent Events**

Subsequent events have been evaluated through August 11, 2010, which is the date the financial statements were available to be issued.

**MEDICAL CENTER OF LOUISIANA FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED JUNE 30, 2010 AND 2009**

**(2) FUNDS HELD FOR AGENCIES**

At June 30, 2010 and 2009, the Foundation held \$348,338 and \$321,893, of funds for the Trauma department and for the Charity Hospital Medical Staff. The financial effects of transactions related to agency funds are recorded as changes in funds held for agencies and are not included in the statements of activities. The changes in the funds held for agencies are summarized as follows:

	<u>2010</u>	<u>2009</u>
Agency funds received	\$ 69,566	\$ 63,166
Distributions to agencies	<u>(43,599)</u>	<u>(48,846)</u>
Change in balance	25,967	14,320
Beginning balance	<u>322,371</u>	<u>307,573</u>
Ending balance	<u>\$ 348,338</u>	<u>\$ 321,893</u>

**(3) RESTRICTIONS ON NET ASSETS**

Temporarily restricted net assets at June 30, 2010 and 2009 include:

	<u>2010</u>	<u>2009</u>
Robert Wood Johnson Grant	\$ 2,587	\$ 52,865
Reach Out and Read	58,055	65,414
Patient Education Units	94,870	100,000
Mobile Units	<u>-</u>	<u>86,500</u>
Total temporarily restricted net assets	<u>\$ 155,512</u>	<u>\$ 304,779</u>

**(4) RELATED PARTY TRANSACTIONS**

The Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, an affiliate, provides office space to the Foundation. Rent expense for the year ended June 30, 2010 and 2009 was \$988 and \$456, respectively.

**(5) THEFT LOSS**

During the years ended June 30, 2008 and 2009, a theft occurred resulting in a loss to the Foundation of \$219,556. The Foundation hired forensic accountants and legal experts to reclaim these losses and has provided the FBI with documentation to seek federal prosecution. The Foundation has been reimbursed \$62,598 of these funds. As of the report date, the Foundation has an outstanding receivable balance of \$156,958 that the Foundation is attempting to collect from the statutory employee and from the companies, organizations, and individuals that improperly received the funds but has recorded an allowance for possible losses of \$156,958 in case the funds cannot be recovered. This case remains active with the FBI and the Foundation has implemented strict management policies and procedures to safeguard against similar incidents.

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J.V. LECLERE KRENTEL - RETIRED

## **REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Trustees of  
Medical Center of Louisiana Foundation  
New Orleans, Louisiana

We have audited the financial statements of the Medical Center of Louisiana Foundation (the Foundation) as of and for the year ended June 30, 2010, and have issued our report thereon dated August 11, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control over Financial Reporting

In planning and performing our audit, we considered the Foundation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**ERICKSEN KRENTEL & LA PORTE L.L.P.**

**CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS**

To the Board of Trustees of  
Medical Center of Louisiana Foundation  
August 11, 2010  
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**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the Medical Center of Louisiana Foundation in a separate letter dated August 11, 2010.

This report is intended for the information and use at the Board of Trustees, management of the Foundation, the Louisiana Legislative Auditor, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

August 11, 2010

*Erickson, Krentel & LaPorte LLP*

Certified Public Accountants

**MEDICAL CENTER OF LOUISIANA FOUNDATION**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE YEAR ENDED JUNE 30, 2010**

We have audited the financial statements of Medical Center of Louisiana Foundation as of and for the year ended June 30, 2010, and have issued our report thereon dated August 11, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2010 resulted in an unqualified opinion.

**SECTION I SUMMARY OF AUDITORS' REPORTS**

**A. Report on Internal Control and Compliance Material to the Financial Statements**

Internal Control

Material Weaknesses \_\_\_ Yes X No

Significant Deficiencies \_\_\_ Yes X No

Compliance

Non-Compliance Material to Financial Statements \_\_\_ Yes X No

**SECTION II FINANCIAL STATEMENT FINDINGS**

NONE



**MEDICAL CENTER OF LOUISIANA FOUNDATION  
SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2009**

**SECTION II FINANCIAL STATEMENT FINDINGS**

**2009-1 Lack of Segregation of Duties over Cash Disbursements**

Our evaluation of the internal control structure revealed an absence of appropriate segregation of duties consistent with appropriate control objectives regarding cash disbursements.

Resolved in 2009

**2009-2 Internal Control over Financial Reporting**

During the course of our audit procedures, we proposed adjusting journal entries to properly report the financial statements in accordance with U.S. generally accepted accounting principles.

Resolved as of July 1, 2009, data is being reported in accordance with GAAP.

# ERICKSEN KRENTEL & LAPORTE L.L.P.

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August 11, 2010

To the Board of Trustees of  
Medical Center of Louisiana Foundation  
New Orleans, Louisiana

In planning and performing our audit of the financial statements of the Medical Center of Louisiana Foundation (the Foundation) for the year ended June 30, 2010, in accordance with auditing standards generally accepted in the United States of America, we considered the Foundation's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

However, during our audit we became aware of a certain matter that is an opportunity for strengthening internal controls and operating efficiency. We previously reported on the Foundation's internal control in our letter dated August 11, 2010. This letter does not affect our report dated August 11, 2010, on the financial statements of the Medical Center of Louisiana Foundation.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various Foundation personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized as follows:

## Program Monthly Reports

Presently, the Foundation Coordinator/Accountant only provides detailed revenue and expense reports to project managers when the project managers request such reports. In order to provide project managers with a more regular status update of their projects, it is our recommendation that the Foundation Coordinator/Accountant provide monthly status reports to the project managers detailing revenue and expense analysis.

We wish to thank the Foundation Coordinator/Accountant and her department for their support and assistance during our audit.

**ERICKSEN KRENTEL & LA PORTE L.L.P.**

**CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS**

To the Board of Trustees of  
Medical Center of Louisiana Foundation  
August 11, 2010  
Page 2

This report is intended solely for the information and use of management, the Board of Trustees, and others within the Foundation and is not intended to be and should not be used by anyone other than these specified parties.

August 11, 2010

*Erickson, Krentel & LaPorte LLP*

Certified Public Accountants



The Medical Center of Louisiana Foundation

- BOGALUSA MEDICAL CENTER - BOGALUSA
- EARL K. LONG MEDICAL CENTER - BATON ROUGE
- HUEY P. LONG MEDICAL CENTER - PINEVILLE
- LALLIE KEMP REGIONAL MEDICAL CENTER - INDEPENDENCE
- LEONARD J. CHABERT MEDICAL CENTER - HOUMA
- LSU INTERIM HOSPITAL - NEW ORLEANS
- UNIVERSITY MEDICAL CENTER - LAFAYETTE
- W.O. MOSS REGIONAL MEDICAL CENTER - LAKE CHARLES

## CORRECTIVE ACTION PLAN RELATIVE TO MANAGEMENT LETTER ITEMS

August 11, 2010

Louisiana Legislative Auditor

Medical Center of Louisiana Foundation respectfully submits the following corrective action plan for the year ended June 30, 2010.

Name and address of independent public accounting firm:

Ericksen, Krentel & LaPorte, L.L.P.  
4227 Canal Street  
New Orleans, Louisiana 70119  
Contact: W. Eric Powers, CPA

Audit Period: 07/01/09 to 6/30/10

The finding from the June 30, 2010 management letter is discussed below.

### Program Monthly Reports

Recommendation: In order to provide project managers with a more regular status update of their projects, it is our recommendation that the Foundation Coordinator/Accountant provide monthly status reports to the project managers detailing revenue and expense analysis.

Response: The Medical Center of Louisiana Foundation agrees with the recommendation and will implement it immediately.

If there are any questions regarding this plan, please call Stacy Gerhold-Marvin at (504) 903-1823.

Sincerely,

Signature

W. Eric Powers, CPA

Title